

**NATCHITOCHES PARISH CLERK OF COURT
NATCHITOCHES, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2014**

Natchitoches Parish Clerk of Court
Natchitoches, Louisiana

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-6
Independent Auditor's Report	-	7-9
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	12
Statement of Activities	B	13
Fund Financial Statements		
Balance Sheet-Governmental Fund	C	15
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	16
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund	E	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	18
Statement of Fiduciary Net Position	G	19
Statement of Changes in Fiduciary Net Position	H	20
Notes to Financial Statements	-	22-34
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	I	36
Other Reports		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	J	38-39
Schedule of Audit Results	K	40

Natchitoches Parish Clerk of Court

P. O. Box 476
Natchitoches, LA 71458-0476

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2014

The Management's Discussion and Analysis of the Natchitoches Parish Clerk of Court's financial performance presents a narrative overview and analysis of the Clerk's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Clerk's financial statements, which begin on page 12.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Clerk as a whole and present a longer-term view of the Clerk's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

- 1) The Natchitoches Parish Clerk of Court had cash and investments of \$903,693 at June 30, 2014, which represents a decrease of \$132,181 from the prior year.
- 2) The Natchitoches Parish Clerk of Court had accounts receivable of \$62,776 at June 30, 2014, which represents a decrease of \$16,203 from the prior year.
- 3) The Natchitoches Parish Clerk of Court had accounts payable and accruals of \$9,205 at June 30, 2014, which represents a decrease of \$29,711 from the prior year.
- 4) The Natchitoches Parish Clerk of Court had total revenues of \$1,065,986 for the year ended June 30, 2014, which represents a decrease of \$61,438 from the prior year.
- 5) The Natchitoches Parish Clerk of Court had personnel services expense of \$1,002,877 for the year ended June 30, 2014, which represents a decrease of \$637 from the prior year.
- 6) The Natchitoches Parish Clerk of Court had operating services expense of \$141,513 for the year ended June 30, 2014, which represents a decrease of \$23,008 from the prior year.
- 7) The Natchitoches Parish Clerk of Court had supplies expense of \$80,248 for the year ended June 30, 2014, which represents a decrease of \$26,830 from the prior year.
- 8) The Natchitoches Parish Clerk of Court had capital asset purchases of \$30,588 for the year ended June 30, 2014, which represents an increase of \$29,188 from the prior year.

Overview of the Financial Statements

The following illustrates the minimum requirements for the Natchitoches Parish Clerk of Court as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information (Other than MD&A)

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position (on page 12) and the Statement of Activities (on page 13) provide information about the activities of the Natchitoches Parish Clerk of Court as a whole and present a longer-term view of the Clerk's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the Clerk's net position and changes in it. You can think of the Clerk's net position, the difference between assets and liabilities, as one way to measure the Clerk's financial health, or financial position. Over time, increases or decreases in the Clerk's net position is one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 15. All of the Clerk's basic services are reported in a governmental fund, which focus on how money flows into and out of this fund and the balances left at year end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's activities as well as what remains for future spending.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2014</u>	<u>2013</u>
ASSETS:		
Current and Other Assets, Net of Allowance for Doubtful Accounts	\$ 987,368	\$1,145,351
Capital Assets, Net	<u>33,544</u>	<u>10,545</u>
Total Assets	<u>\$1,020,912</u>	<u>\$1,155,896</u>
LIABILITIES:		
Accounts Payable	\$ 9,205	\$ 28,453
Payroll & Related Liabilities	0	10,463
Compensated Absences	22,353	23,480
Other Post-Employment Benefits	<u>729,941</u>	<u>629,669</u>
Total Liabilities	<u>\$ 761,499</u>	<u>\$ 692,065</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 33,544	\$ 10,545
Unrestricted	<u>225,869</u>	<u>453,286</u>
Total Net Position	<u>\$ 259,413</u>	<u>\$ 463,831</u>

Net position of the Natchitoches Parish Clerk of Court decreased by \$204,418 or 44.1% from the previous fiscal year.

Summary of Statement of Activities

	<u>2014</u>	<u>2013</u>
REVENUES:		
Charges for Services	\$1,026,725	\$1,089,424
General Revenues	<u>39,261</u>	<u>38,000</u>
Total Revenues	\$1,065,986	\$1,127,424
EXPENDITURES:		
Expenses	<u>1,270,404</u>	<u>1,313,140</u>
Change in Net Position	\$ <u>(204,418)</u>	\$ <u>(185,716)</u>

The Natchitoches Parish Clerk of Court's total revenues decreased by \$61,438 or 5.4% from the previous year. The total cost of all programs and services decreased by \$42,736 or 3.3%.

Capital Assets and Debt AdministrationCapital Assets

At June 30, 2014, the Natchitoches Parish Clerk of Court had \$33,544, net of depreciation, invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and deductions) of \$22,999 or 218.1% from the previous year.

Capital Assets at Year End (Net of Depreciation)		
	<u>2014</u>	<u>2013</u>
Furniture, Fixtures and Equipment	<u>\$33,544</u>	<u>\$10,545</u>
Total	<u>\$33,544</u>	<u>\$10,545</u>

This year's major additions included office furniture totaling \$30,588.

This year there were no major retirements.

Debt

The Natchitoches Parish Clerk of Court had \$22,353 in compensated absences and \$729,941 in other post-employment benefits outstanding at year end. This represents differences of \$1,127 and \$100,271, respectively, as compared to the previous year, as shown in the table below.

Outstanding Debt at Year End		
	<u>2014</u>	<u>2013</u>
Compensated Absences	\$ 22,353	\$ 23,480
Other Post-Employment Benefits	<u>729,941</u>	<u>629,670</u>
Total	<u>\$752,294</u>	<u>\$653,150</u>

Variations between Final Budgets and Actual Amounts

Actual revenues were \$1,486 more than budgeted amounts due to fees being more than expected.

Actual expenditures were \$33,559 more than budgeted amount due to purchases of capital expenditures and supplies being more than expected.

Economic Factors and Next Year's Budget

The Natchitoches Parish Clerk of Court's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Fees
2. Interest income
3. Miscellaneous revenues
4. Personnel costs
5. Other costs

The Natchitoches Parish Clerk of Court does not expect any significant changes in next year's results as compared to the current year.

Contacting the Natchitoches Parish Clerk of Court

This financial report is designed to provide our citizens and creditors with a general overview of the Natchitoches Parish Clerk of Court's finances and to show the Clerk of Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Natchitoches Parish Clerk of Court at P. O. Box 476, Natchitoches, LA 71458-0476.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

Jessica H. Broadway, CPA – A Professional Corporation

Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT

Honorable Louie Bernard
Natchitoches Parish Clerk of Court
P. O. Box 476
Natchitoches, Louisiana 71458-0476

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the Natchitoches Parish Clerk of Court, a component unit of the Natchitoches Parish Government, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and fiduciary funds information of the Clerk as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The budgetary comparison listed as required supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

November 25, 2014

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court
Statement of Net Position
June 30, 2014

	Governmental <u>Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$ 903,693
Revenue Receivable, Net of Allowance for Doubtful Accounts	62,776
Prepaid Expense	<u>20,899</u>
Total Current Assets	\$ 987,368
Noncurrent Assets:	
Capital Assets, Net	<u>33,544</u>
Total Assets	<u>\$1,020,912</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 9,205
Noncurrent Liabilities:	
Compensated Absences	\$ 22,353
Other Post Employment Benefits	<u>729,941</u>
Total Noncurrent Liabilities	<u>\$ 752,294</u>
Total Liabilities	<u>\$ 761,499</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 33,544
Unrestricted	<u>225,869</u>
Total Net Position	<u>\$ 259,413</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court
Statement of Activities
June 30, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenue
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	and Changes in Net Position
Governmental					
Activities:					Governmental Activities
Judicial-					
Personnel Services	\$1,002,877	\$ 811,113	\$21,000	\$0	\$(170,764)
Travel	19,133	20,534	0	0	1,401
Operating Services	141,513	112,940	0	0	(28,573)
Supplies	80,248	61,603	0	0	(18,645)
Professional Services	<u>26,633</u>	<u>20,535</u>	<u>0</u>	<u>0</u>	<u>(6,098)</u>
Total Governmental Activities	<u>\$1,270,404</u>	<u>\$1,026,725</u>	<u>\$21,000</u>	<u>\$0</u>	<u>\$(222,679)</u>
General Revenues:					
Miscellaneous-					
Other					\$ 6,357
Interest					<u>11,904</u>
Total General Revenues					<u>\$ 18,261</u>
Change in Net Position					\$(204,418)
Net Position July 1, 2013					<u>463,831</u>
Net Position June 30, 2014					<u>\$ 259,413</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court
Balance Sheet-Governmental Fund
June 30, 2014

ASSETS:

Cash & Cash Equivalents	\$903,693
Revenue Receivable, Net of Allowance for Doubtful Accounts	62,776
Prepaid Expense	<u>20,899</u>
Total Assets	<u>\$987,368</u>

LIABILITIES:

Accounts Payable	\$ 9,205
------------------	----------

FUND BALANCE:

Nonspendable- Prepaid Expense	\$ 20,899
Unassigned	<u>957,264</u>

Total Fund Balance	<u>\$978,163</u>
--------------------	------------------

Total Liabilities & Fund Balance	<u>\$987,368</u>
-------------------------------------	------------------

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2014

Total Fund Balance for the Governmental Fund at June 30, 2014	\$ 978,163
--	------------

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the Governmental Fund Balance Sheet. Those
assets consist of:

Capital Assets	637,441	
Less Accumulated Depreciation	<u>(603,897)</u>	33,544

Long-term liabilities are not due and payable in the
current period and therefore are not reported in the
Governmental Fund Balance Sheet:

Compensated Absences	(22,353)
Other Post Employment Benefits	<u>(729,941)</u>

Total Net Position of Governmental Activities at June 30, 2014	\$ <u>259,413</u>
---	-------------------

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2014

REVENUES:

Licenses & Permits-	
Marriage Licenses	\$ 7,642
Intergovernmental	21,000
Charges for Services-	
Court Costs, Fees & Charges	530,497
Recording Fees	380,815
Photocopying Fees	66,026
Non-support	41,745
Miscellaneous-	
Other	6,357
Interest	<u>11,904</u>
Total Revenues	<u>\$1,065,986</u>

EXPENDITURES:

Current-	
Judicial-	
Personnel Services	\$ 903,733
Travel	19,133
Operating Services	141,513
Supplies	72,659
Professional Services	26,633
Capital Expenditures	<u>30,588</u>
Total Expenditures	<u>\$1,194,259</u>
Deficiency of Revenues over Expenditures	\$ (128,273)
Fund Balance-Beginning of Year	<u>1,106,436</u>
Fund Balance-End of Year	<u>\$ 978,163</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2014

Total Net Change in Fund Balance at June 30, 2014, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$(128,273)
--	-------------

The Change in Net Position
reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	30,588
---	--------

Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	(7,589)
--	---------

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in compensated absences for the year is	1,127
---	-------

Other Post-employment Benefits are reported in the Government-wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Other Post-Employment Benefits is	<u>(100,271)</u>
--	------------------

Total Changes in Net Position at June 30, 2014, per Statement of Activities	<u>\$(204,418)</u>
--	--------------------

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	<u>\$1,272,831</u>	<u>\$1,230,814</u>	<u>\$2,503,645</u>
LIABILITIES:			
Due to Others	<u>\$1,272,831</u>	<u>\$1,230,814</u>	<u>\$2,503,645</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court
Statement of Changes in Fiduciary Net Position
for the Year Ended June 30, 2014

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ADDITIONS:			
Suits and Successions	\$ 560,462	\$ 284,960	\$ 845,422
Interest Income	<u>0</u>	<u>2,032</u>	<u>2,032</u>
Total Additions	\$ <u>560,462</u>	\$ <u>286,992</u>	\$ <u>847,454</u>
DEDUCTIONS:			
Clerk's Costs (paid to general fund)	\$ 362,769	\$ 0	\$ 362,769
Settlements to Litigants	119,547	175,400	294,947
Sheriff's Fees	40,819	0	40,819
Court Reporters	3,354	0	3,354
Attorneys, Curators, Notary	19,231	0	19,231
Judges' Supplemental Fund	19,095	0	19,095
Judicial Supplemental Fund	<u>12,495</u>	<u>0</u>	<u>12,495</u>
Total Deductions	\$ <u>577,310</u>	\$ <u>175,400</u>	\$ <u>752,710</u>
Change in Liabilities	\$ (16,848)	\$ 111,592	\$ 94,744
Liabilities-Beginning	<u>1,289,769</u>	<u>1,119,222</u>	<u>2,408,901</u>
Liabilities-Ending	<u>\$1,272,831</u>	<u>\$1,230,814</u>	<u>\$2,503,645</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

Introduction:

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Natchitoches Parish Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the Natchitoches Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Natchitoches Parish Government is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (Government), (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Natchitoches Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Government.
2. Organizations for which the Natchitoches Parish Government does not appoint a voting majority but are fiscally dependent on the Natchitoches Parish Government.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Natchitoches Parish Government provides office facilities for the Clerk, the Clerk was determined to be fiscally dependent on the Government and accordingly is considered to be a component unit of the Natchitoches Parish Government, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk and do not present information on the Natchitoches Parish Government, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING-

The Natchitoches Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk are classified into two categories as follows:

Governmental Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Natchitoches Parish Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund.

Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund and Registry of Court Fund, account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Natchitoches Parish Clerk of Court, except for the fiduciary funds which are reported separately.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The governmental fund and the agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Natchitoches Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS-

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the Natchitoches Parish Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments.

H. RECEIVABLES-

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. BAD DEBTS-

Uncollectible revenue receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2014, \$1,000 was considered uncollectible.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

J. CAPITAL ASSETS-

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized.

K. COMPENSATED ABSENCES-

Full-time employees of the Natchitoches Parish Clerk of Court earn ten days sick leave annually. Vacation is earned as follows: 1st year – no vacation, 2nd year – 1 week, 3rd year – 2 weeks, 15 years – 3 weeks. Unused vacation and sick leave expires at December 31, however, at June 30, 2014, a total of \$22,353 in accrued leave remained unpaid.

L. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, the Clerk applies unrestricted resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Clerk at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Clerk's only governmental fund, has a nonspendable fund balance of \$20,899 which represents prepaid expense. The remaining fund balance of \$957,264 is classified as unassigned. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

2. Cash, Cash Equivalents, Investments and Credit Risk:

The cash and cash equivalents of the Clerk of Court are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Clerk of Court will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk of Court's name.

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 2014, the Clerk had cash, cash equivalents (book balances), and investments totaling \$3,407,338 as follows:

Demand Deposits	\$ 142,101
Interest-bearing Demand Deposits	1,282,232
Time Deposits	1,981,955
Petty Cash	<u>1,050</u>
Total	<u>\$3,407,338</u>

At June 30, 2014, the Clerk has \$3,486,183 in deposits (collected bank balances). These deposits are secured from risk by \$642,661 of federal deposit insurance and \$2,843,522 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3), leaving \$0 unsecured and uncollateralized.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

3. Revenue Receivable:

The following is a summary of receivables at June 30, 2014:

<u>Class of Receivable</u>	<u>Total</u>
Charges for services	\$63,776
Less, allowance for doubtful accounts	<u>(1,000)</u>
Net Receivables	<u>\$62,776</u>

4. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2014, is as follows:

	<u>Balance</u> <u>07-01-14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-14</u>
Furniture fixtures, and equipment	\$ 606,853	\$30,588	\$0	\$637,441
Less, accumulated depreciation	<u>(596,308)</u>	<u>(7,589)</u>	<u>0</u>	<u>(603,897)</u>
Total Capital Assets, net	<u>\$ 10,545</u>	<u>\$22,999</u>	<u>\$0</u>	<u>\$ 33,544</u>

Depreciation expense of \$7,589 was charged to the judicial function.

5. Accounts Payable and Accruals:

The following is a summary of accounts payable at June 30, 2014:

<u>Class of Payable</u>	<u>Total</u>
Vendor	<u>\$9,205</u>

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

6. Pension Plan:

Plan Description. Substantially all employees of the Natchitoches Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Natchitoches Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 18.5 percent of annual covered payroll. Of the 8.25 percent of the member contributions, the Natchitoches Parish Clerk of Court pays all. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of a plan member and the Natchitoches Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Natchitoches Parish Clerk of Court's contribution to the System for the years ending June 30, 2014, 2013, and 2012, were \$130,057, \$122,525 and \$121,365, respectively, equal to the required contribution for each year.

The Natchitoches Parish Clerk of Court also participates in the State of Louisiana Public Employees Deferred Compensation Plan which is defined by Internal Revenue Code Section 457. Employees may contribute up to the greater of (1) 100% of their taxable compensation or (2) \$17,500. The Clerk matches employee contributions up to 5% of the employee's annual salary. The Natchitoches Parish Clerk of Court's contribution to the System for the years ending June 30, 2014, 2013, and 2012, were \$13,938, \$12,552, and \$13,608, respectively, equal to the required contribution for each year.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

7. Leases:

The Natchitoches Parish Clerk of Court is obligated under several lease agreements accounted for as operating leases. Operating leases do not give rise to property rights of lease obligations, and therefore, the results of the lease agreements are not reflected in the capital assets. These leases are for copiers.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms as of June 30, 2014:

Fiscal Year Ending <u>June 30</u>	<u>Equipment</u>
2015	25,671
2016	24,194
2017	12,896
2018	<u>3,527</u>
Total	<u>\$66,288</u>

The Natchitoches Parish Clerk of Court was not obligated under any capital lease agreements at June 30, 2014.

8. Risk Management:

The Natchitoches Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

9. Other Post-Employment Benefits:

Plan Description. The Natchitoches Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan (“the Retiree Healthcare Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees through the clerk’s group health insurance plan. Benefit provisions are established by the Natchitoches Parish Clerk of Court. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service, or 30 years of service at any age. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2010, the Natchitoches Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the OPEB liability relative to past service will be amortized and recognized as an expense over thirty years.

Funding Policy. The Natchitoches Parish Clerk of Court contributes 100% of the cost of current-year premiums for eligible retired employees. The Clerk recognizes the cost of providing these benefits as an expenditure when the monthly premiums are paid. For the year ended June 30, 2014, the Natchitoches Parish Clerk of Court contributed \$6,286 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Clerk’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Natchitoches Parish Clerk of Court meets the requirements to use the Alternative Measurement Method for plans with fewer than 100 members, and has elected to calculate the ARC and related information using the Entry Age Cost Method and the Level Percentage of Payroll Amortization Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the clerk’s annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the clerk’s net OPEB obligation to the retiree health plan.

Annual required contribution	\$ 93,964
Interest on net OPEB obligation	12,593
Adjustment to annual required contribution	<u>0</u>
Annual OPEB cost (expense)	\$106,557
Contributions made	<u>(6,286)</u>
Increase in net OPEB obligation	\$100,271
Net OPEB obligation at beginning of year	<u>629,670</u>
Net OPEB obligation at end of year	<u>\$729,941</u>

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

The Clerk's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2014, and the two preceding fiscal years are shown below:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2012	2.00%	\$176,596	6%	\$537,573
06/30/2013	2.00%	\$104,715	12%	\$629,669
06/30/2014	2.00%	\$106,557	6%	\$729,941

Funded Status and Funding Progress. As of June 30, 2014, and for the two preceding valuations, the actuarial accrued liability for benefits, the covered payroll (annual payroll of active employees covered by the plan), and ratio of the unfunded actuarial accrued liability to the covered payroll was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/12	\$0	\$2,365,758	\$2,365,758	0%	\$521,404	454%
6/30/13	\$0	\$1,425,780	\$1,425,780	0%	\$450,018	317%
6/30/14	\$0	\$1,425,780	\$1,425,780	0%	\$428,276	333%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumption. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Natchitoches Parish Clerk of Court
Notes to Financial Statements
June 30, 2014

Retirement age for active employees - Based on the historical retirement age for the covered group, and unless otherwise indicated, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the Clerk's office.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2008 United States Life Tables for Males and for Females, revised September 24, 2012, were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid. *Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.0% initially, increased to an ultimate rate of 6.8% after ten years, was used.

Health insurance premiums - 2013 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - A long-term inflation assumption of 3.95% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2013 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

10. Expenditures of the Clerk of Court Paid by the Natchitoches Parish Government:

Certain expenses of the Natchitoches Parish Clerk of Court's office are paid by the Natchitoches Parish Government. The Government furnishes the building where the Clerk's office is located and pays all utility bills.

11. Subsequent Events:

Management has evaluated events through November 25, 2014, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Natchitoches Parish Clerk of Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES:				
Fees & Charges for Services	\$1,084,500	\$1,023,500	\$1,026,725	\$ 3,225
Intergovernmental	22,000	21,000	21,000	0
Miscellaneous-				
Interest Income	11,000	14,000	11,904	(2,096)
Other Revenue	<u>5,000</u>	<u>6,000</u>	<u>6,357</u>	<u>357</u>
Total Revenues	<u>\$1,122,500</u>	<u>\$1,064,500</u>	<u>\$1,065,986</u>	<u>\$ 1,486</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Services	\$ 911,000	\$ 904,500	\$ 903,733	\$ 767
Travel	17,000	19,500	19,133	367
Operating Services	151,000	144,200	141,513	2,687
Supplies	74,000	66,500	72,659	(6,159)
Professional Services	24,000	26,000	26,633	(633)
Capital Expenditures	<u>0</u>	<u>0</u>	<u>30,588</u>	<u>(30,588)</u>
Total Expenditures	<u>\$1,177,000</u>	<u>\$1,160,700</u>	<u>\$1,194,259</u>	<u>\$(33,559)</u>
Deficiency of Revenues over Expenditures	\$ (54,500)	\$ (96,200)	\$ (128,273)	\$(32,073)
Fund Balance-Beginning of Year	<u>1,106,436</u>	<u>1,106,436</u>	<u>1,106,436</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,051,936</u>	<u>\$1,010,236</u>	<u>\$ 978,163</u>	<u>\$(32,073)</u>

See notes to financial statements.

SUPPLEMENTARY INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

Jessica H. Broadway, CPA – A Professional Corporation

Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Louie Bernard
Natchitoches Parish Clerk of Court
P. O. Box 476
Natchitoches, Louisiana 71458-0476

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund and fiduciary funds as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish Clerk of Court's (Clerk) basic financial statements and have issued our report thereon dated November 25, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

November 25, 2014
Natchitoches, Louisiana

Natchitoches Parish Clerk of Court
Schedule of Audit Results
Year Ended June 30, 2014

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Natchitoches Parish Clerk of Court as of and for the year ended June 30, 2014.
2. The audit did not disclose any significant deficiencies in internal control.
3. The audit did not disclose any instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

No findings.

III. PRIOR YEAR FINDINGS

13-01 Segregation of Duties

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

Status - As of June 30, 2014 this condition was cleared.